

**AMENDMENT NO. 1 TO THE  
PROFESSIONAL SERVICES AGREEMENT  
BY AND BETWEEN  
THE REDEVELOPMENT AGENCY  
OF THE  
CITY OF SANTA CLARA  
AND  
KEYSER MARSTON ASSOCIATES, INC.**

This agreement ("Amendment No. 1") is made and entered into on this \_\_\_\_ day of December 2008, ("Effective Date") by and between The Redevelopment Agency of the City of Santa Clara, a redevelopment agency, a public body, corporate and politic, organized and existing in the County of Santa Clara, under and by virtue of the laws of the State of California (California Health and Safety Code section 33000, et seq.) ("Agency") with its primary business address at 1500 Warburton Avenue, Santa Clara, CA 95050, and Keyser Marston Associates, Inc., a California corporation ("Consultant"), with its primary business address at Golden Gateway Commons, 55 Pacific Avenue Mall, San Francisco, CA 94111. Agency and Consultant may be referred to herein individually as a "Party" or collectively as the "Parties" or the "Parties to this Amendment No. 1."

**RECITALS**

- A. The Parties previously entered into an agreement entitled "Agreement for Professional Services by and between the Redevelopment Agency of the City of Santa Clara and Keyser Marston Associates, Inc.," dated February 12, 2008 (the "Original Agreement"); and
- B. The Parties entered into the Original Agreement for the purpose of having Contractor provide fiscal, economic and land use analysis services, and the Parties now wish to increase the not-to-exceed amount of one hundred fifty thousand dollars (\$150,000.00) by one hundred thousand dollars (\$100,000.00), bringing the total not-to-exceed amount to two hundred fifty thousand dollars (\$250,000.00).

In consideration of the above Recitals and the following mutual covenants and obligations, the Parties agree as follows:

**AGREEMENT PROVISIONS**

- 1. That the paragraph entitled "Maximum Not to Exceed Contract Amount" of Exhibit B, entitled "Schedule of Fees and Charges" of the Original Agreement, is hereby amended to read as follows:

"In no event shall the amount billed to Agency by Consultant for services under this Agreement exceed Two Hundred Fifty Thousand Dollars (\$250,000), subject to budget appropriations."

2. All other terms of the Original Agreement that are not in conflict with the provisions of this Amendment No. 1 shall remain unchanged in full force and effect. In case of a conflict in the terms of the Original Agreement and this Amendment No. 1, the provisions of this Amendment No. 1 shall control.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 1 as evidenced by the following signatures of their duly authorized representatives. It is the intent of the Parties that this Amendment No. 1 shall become operative on the Effective Date first set forth above.

**REDEVELOPMENT AGENCY OF THE CITY OF SANTA CLARA,**  
a redevelopment agency, a public body, corporate and politic,  
organized and existing in the County of Santa Clara,  
under and by virtue of the laws of the State of California

APPROVED AS TO FORM:

\_\_\_\_\_  
HELENE L. LEICHTER  
Agency General Counsel

\_\_\_\_\_  
JENNIFER SPARACINO  
Executive Director

ATTEST:

1500 Warburton Avenue  
Santa Clara, CA 95050  
Telephone: (408) 615-2210  
Fax Number: (408) 241-6771

\_\_\_\_\_  
ROD DIRIDON, JR.  
Agency Secretary

"Agency"

**Keyser Marston Associates, Inc.**  
a California corporation

By:

  
A. JERRY KEYSER

Chairman of the Board  
55 Pacific Avenue Mall  
San Francisco, CA 94111  
Telephone: (415) 398-3050  
Fax Number: (415) 397-50655

"Consultant"

I:\CTYMN\GRS\Agreements\2008\Keyser Marston Amd No. 3-02.05.08.doc



## KEYSER MARSTON ASSOCIATES

ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

November 24, 2008

ADVISORS IN  
REAL ESTATE  
REDEVELOPMENT  
AFFORDABLE HOUSING  
ECONOMIC DEVELOPMENT

SAN FRANCISCO  
A. JERRY KEYSER  
TIMOTHY C. KELLY  
KATE LARLE FUNK  
DEBBIE M. KERN  
ROBERT J. WETMORE  
REED J. KAWAHARA

Ron Garratt  
Assistant City Manager  
City of Santa Clara  
1500 Warburton Avenue  
Santa Clara, CA 95050

Re: 49ers Stadium Negotiations Scope of Work

Dear Ron:

LOS ANGELES  
CAVIN E. HOLLIS, II  
KATHLEEN H. HEAD  
JAMES A. RARE  
PAUL C. ANDERSON  
GREGORY D. SOO HOO  
KEVIN L. ENGBROM  
JULIE L. ROMOY  
DENISE BUCKENIAH

SAN DIEGO  
GERALD M. TRIMBLE  
PAUL C. MARRA

Thank you for requesting this scope of work for real estate and financial advisory services in relation to on-going term sheet negotiations with the San Francisco 49ers for development of a new stadium in Santa Clara. This scope provides for a continuation of the services that KMA has been providing on an on-going basis during term sheet negotiations, originally expected to conclude by July, and now anticipated to conclude no sooner than February 2009. Under this scope, Keyser Marston Associates (KMA) will continue its role as one of several consultants comprising an advisory team on the stadium proposal as negotiations with the 49ers proceed.

This work scope includes advisory services related to various real estate and entitlement valuation issues, stadium finance, public finance, fiscal impacts/benefits, and other issues related to the 49ers proposal. Many of the issues covered in this scope have been addressed in negotiations to date or were covered in the Feasibility Study but are likely to continue to be a focus of on-going negotiations. In some cases, prior analyses may need to be adjusted to account for changed circumstances or new information. For example, a resolution to concerns raised by Cedar Fair may need to be taken into account and the implications of recent changes in the bond markets will need to be evaluated.

### ***Scope of Work***

Negotiations of a term sheet with the 49ers commenced at the direction of Council at the January 15, 2008 joint public hearing. This scope provides for a continuation of KMA's role as a close advisor to the City on all appropriate issues related to negotiation of the

terms, particularly those of a financial or real estate nature. KMA will also continue to work in close collaboration with the City's legal council and all other City advisors. It is our expectation that there will be several areas in which our services will be focused:

1. *Real Estate and Valuation Issues.* It is expected that the City will seek a ground lease payment as compensation for the City's contribution of land for the stadium site. KMA will take the lead in evaluating the supported ground lease payment as well as other real estate issues that may arise.
2. *Structuring of Real Estate Transaction.* KMA will advise the City on how the value of the land is incorporated into the overall finance plan for the stadium and issues related to structuring the real estate transaction.
3. *Existing Lease Issues and Encumbrances.* KMA will advise the City on other real estate issues including existing leases and encumbrances related to the operation of Great America and other applicable development parcels, and interests of entities such as the Santa Clara Convention Center, the Hilton Hotel, SF PUC, and others depending on the 49ers proposal.
4. *Public Finance Plan.* KMA will advise on all issues related to public portions of the overall stadium finance plan, particularly as they relate to the contributions of real property, Redevelopment Agency tax increment / bonding capacity, or the proposed Team advance. We will work in cooperation with the City's Financial Advisor, Kelling, Norcross and Nobriga. KMA will also assist in identifying risk factors to the City and methods of mitigating such risks through alternative deal structures.
5. *Stadium Authority and Private Finance Plan.* The work effort will include a review and analysis of remaining issues regarding the proposed stadium authority and private stadium financing.
6. *Participate in Discussions with 49ers.* It is expected that this work effort will involve a number of meetings with 49ers representatives throughout the negotiation process.
7. *Presentations / Discussions with City Council in both negotiation (closed) meetings and public meetings.*

***Schedule and Budget***

We anticipate that this effort will conclude not later than July 2009.

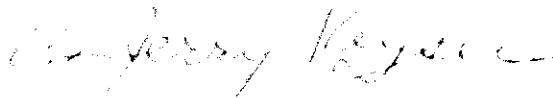
At this time, we anticipate that the work scope described in this proposal can be performed for a budget not to exceed \$100,000.

The contract will be billed on a time and materials basis and will not exceed the maximum without previous City authorization. The budget assumes that this work scope can be performed within the time period allotted, and that it will be a focused analysis of the tasks described. A copy of our current rate schedule is attached.

Thank you for requesting this scope. Please call us with any questions.

Sincerely,

KEYSER MARSTON ASSOCIATES, INC.

A handwritten signature in cursive script, appearing to read "A. Jerry Keyser".

A. Jerry Keyser  
Chairman of the Board

**KEYSER MARSTON ASSOCIATES, INC.  
PUBLIC SECTOR HOURLY RATES**

---

	<u><b>2008/2009</b></u>
A. JERRY KEYSER*	\$280.00
MANAGING PRINCIPALS*	\$280.00
SENIOR PRINCIPALS*	\$270.00
PRINCIPALS*	\$250.00
MANAGERS*	\$225.00
SENIOR ASSOCIATES	\$187.50
ASSOCIATES	\$167.50
SENIOR ANALYSTS	\$150.00
ANALYSTS	\$130.00
TECHNICAL STAFF	\$95.00
ADMINISTRATIVE STAFF	\$80.00

Directly related job expenses not included in the above rates are: auto mileage, air fares, hotels and motels, meals, car rentals, taxies, telephone calls, delivery, electronic data processing, graphics and printing. Directly related job expenses will be billed at 110% of cost.

Monthly billings for staff time and expenses incurred during the period will be payable within thirty (30) days of invoice date.

---

\* Rates for individuals in these categories will be increased by 50% for time spent in court testimony.